

# 2003 Advisory Actions

STATE • ALLOCATION • BOARD  
OFFICE • OF • PUBLIC • SCHOOL • CONSTRUCTION

**Issue Number 04:** Information from the State Allocation Board meeting held on April 23, 2003

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## Service is our Focus as we Help You Identify Funding Opportunities

*from the desk of the executive officer*



**W**e appreciate the opportunity to work one-on-one with you, as we continue to take action to create new service possibilities and improve existing service for you. As you plan ahead to meet the facility needs of our children, we will continue to provide support to assure that you obtain funding to build the much needed facilities.

Over the last several months, we have worked with many districts to enhance their access to various funding programs such as:

- ▶ Charter School Facilities Program
- ▶ Critically Overcrowded Schools Program
- ▶ Lease-Purchase Program Joint Use Funding
- ▶ School Facility Program Joint Use Funding
- ▶ School Facility Program Modernization
- ▶ School Facility Program New Construction

The current filing periods for the Charter School Facilities and Critically Overcrowded Schools Programs have lapsed. By all first indications, these programs are a great success. There was much interest in the programs. The funding applications filed will exhaust the allocations from the 2002 State Bond for both of these programs. In this issue, you can read a full update on the Charter School Facilities Program. The following table summarizes an update for both programs and the next steps for each:

PROGRAM	NUMBER OF APPLICATIONS FILED	ESTIMATED STATE SHARE FOR APPLICATIONS ACCEPTED	2002 STATE BOND PROGRAM ALLOCATION	ANTICIPATED SAB APPROVAL
Charter School Facilities Program	26	\$182 Million	\$97.5 Million	June 2003
Critically Overcrowded Schools Program	462	\$2.6 Billion	\$1.7 Billion	August 2003

If you have Joint Use plans, funding is within reach. There is still time if you hurry to make the current filing period for SFP Joint Use Program and the final filing period for the Lease-Purchase Program (LPP) Joint Use Program. Both filing periods end on May 31, 2003. As you read on in this issue, you can find out more information about the LPP Joint Use Program (Senate Bill 1795) that is due to sunset after this final filing period. Although the LPP Joint Use Program will sunset, districts will still be able to apply for Joint Use funds under the recently established SFP Joint Use Program.

Our work together has resulted in an incredible and unprecedented amount of funds that have been apportioned and released to the districts to build and modernize schools. Beyond these staggering accomplishments, SFP new construction and modernization funding opportunities exist. We encourage districts to keep those SFP funding applications coming. To aid you in this endeavor, please pick up the phone and contact your OPSC Project Manager for assistance with services such as:

- ▶ Assistance with filing for the Joint-Use Programs.
- ▶ Site visits to complete forms and calculate new and updated SFP eligibility.
- ▶ Completing SFP funding application forms and worksheets.
- ▶ Calculate project grants and adjustments.
- ▶ OPSC Plan Verification meetings to assist you and your architect with construction verification and cost analysis.
- ▶ SFP Financial Hardship eligibility and submittals.
- ▶ Presentations and workshops for you and other districts in your county or area.
- ▶ Explaining regulations and update you on pending changes.
- ▶ Unique program questions and challenges.

*Continue on next page*

## OPSC Reminders...

- ▶ **State Allocation Board Meetings\***  
Wednesday, May 28, 2003  
Wednesday, June 25, 2003  
Wednesday, July 23, 2003
- ▶ **Implementation Committee Meetings\***  
Friday, June 6, 2003  
Wednesday, July 2, 2003  
Friday, August 1, 2003
- ▶ **Regional Occupational Center Facilities Report, SAB Form 406R**  
Due triennially (September 1, 2003) districts must report on the facilities utilized for the operation of a regional occupational center or program per Education Code Section 17285(d).
- ▶ **LPP Joint Use Funding Cycle**  
The final funding cycle will end May 31, 2003 for districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795). The LPP Joint Use Funding will sunset after May 31, 2003.
- ▶ **SFP Joint Use Funding Cycle**  
The filing dates for the SFP Joint Use Program are November 5, 2002 through May 31, 2003 to be apportioned July 2003. The next filing period runs June 1, 2003 through May 31, 2004 to be apportioned July 2004 or July 2005.
- ▶ **Interest Earned Report (Form SAB 180)**  
Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts which have earned interest from the Leroy F. Greene Lease-Purchase Fund.
- ▶ **Groundbreaking Ceremony**  
Fairfax Elementary School District celebrated a groundbreaking ceremony of its newest school at South Fairfax Road and Shirley Lane on May 19.

\* Meeting dates, times and locations are subject to change. For the latest meeting information, check the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

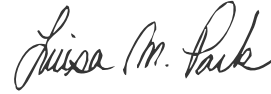
## from the desk of the executive officer...

Also in this issue, we share information we hope you will find valuable on topics such as:

- ▶ Fund Release Process
- ▶ Important Federal Renovation Program Reminders
- ▶ Unused Site Annual Reporting
- ▶ Use of Funds From the Sale/Lease of Surplus Property
- ▶ Use of New Construction Grants
- ▶ Fees and Project "Soft Costs"

Let our office be of service to you, as you plan ahead to meet your growing facility needs. We encourage districts to file applications while there is funding available.

During these turbulent and fiscally challenging times, I am reminded of a quote; one I find to be an inspiration as we work together for the facility needs of our children. Mark Twain once wrote, "*Out of the public school grows the greatness of the nation.*"



Luisa M. Park, Executive Officer

## New and Improved Fund Release Process

By Laurie Stetson, OPSC Accounting Supervisor

In last month's issue of the Office of Public School Construction (OPSC) Advisory Actions 2003, we highlighted a new fund release process. The new process was developed after we received a few phone calls from districts that submitted Fund Release Authorizations and were concerned that the funds had not yet been received. We learned that in every case we had processed the fund release request and the funds had already been sent to the districts' county treasurer, in some cases two months prior. We realize how important those funds are to you, so in response, we modified our existing notification process to the districts and county treasurers. It's up and running when you need to know...

### Where's My Money? ... Well now you can find out with ease!

Not only can you see if your fund release request has been processed, but you can now see the exact date the warrant was issued. The OPSC Project Tracking System has "up to the moment" project and district wide fund release status information. Please visit the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov) under Project Tracking, and we will "Show You The Money"!!

### What's The Process?

The fund release process is a collaborative effort between the OPSC and the State Controller's Office (SCO). The OPSC is responsible for maintaining

detailed project and account information, and submitting fund release documentation to the SCO. The SCO is responsible for issuing the fund release warrants. This process takes approximately three weeks.

The OPSC processes the Fund Release Authorizations on a daily basis and generates a School Facility Program (SFP) Fund Release. All SFP Fund Releases generated during the week are assembled together in a Claim Schedule. The Claim Schedule Number is included on each SFP Fund Release, which we distribute to the District Superintendent, District Representative and County Office of Education. The Claim Schedule is submitted to the SCO on a weekly basis and requests the issuance of warrants to the specified County Treasurer listed for the amounts specified. Mailed with the warrant to the County Treasurer is a Remittance Advice which details the district, application numbers and amounts for which the warrant is designed. The OPSC Project Tracking located on our Web site will indicate the date OPSC issues the Claim Schedule and now the date the SCO issues the actual warrant. At that point, you know the warrant has been forwarded to your County Treasurer's office.

Should you have any questions regarding your fund release, please feel free to contact Laurie Stetson, Accounting Supervisor, at 916.322.0140 or by E-mail to [laurie.stetson@dgs.ca.gov](mailto:laurie.stetson@dgs.ca.gov).

## Apportionments in Record Time...

# Let Us Assist You with Your Applications

By Lori Morgan, OPSC Manager

In recent issues of the Office of Public School Construction Advisory Actions 2003, you have read about the unprecedented amount of funds that have been apportioned and released to districts in record time to build and modernize schools. Without a doubt, the 2002 State Bonds are a success. These funds are providing immediate relief to the local school districts and for severely needed new and modernized facilities for our children. Beyond these extraordinary accomplishments, these funds are providing a much-needed boost to the overall economy of California; in effect providing a regeneration of these public funds back to all the local communities of California.

As we plan ahead and forecast our workload, we can see that School Facility Program new construction and modernization funding opportunities remain. We encourage districts to move ahead and file their SFP funding applications.

Service is our focus. Please always feel free to take advantage of our assistance. Any of your questions may be referred to your OPSC Project Manager. Need a quick reference or the most current form? We also pride ourselves on our comprehensive and user-friendly resources. These details and more are available on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

## Use of Funds from the Sale and/or Lease of Surplus Property

By Bryan Breaks, OPSC Audit Supervisor

With tight budgets being more and more common place, districts are looking for alternatives to finance General Fund expenditures. One source which was only occasionally considered in the past, and now being looked to more frequently, is the proceeds from the sale or lease of property.

Education Code Section 17462, except as specified, limits the use of the proceeds from the sale or lease of surplus property for capital outlay or for cost of maintenance of school district property. The exception is when the State Allocation Board (SAB) and the governing board of the district determine that the district has no anticipated need for additional sites, building construction, or major

deferred maintenance needs for five years following the sale or lease of a site. Under these circumstances, proceeds may be deposited in the General Fund of a district for any General Fund purposes. The law also includes a consequence for this type of request. The district will not be able to participate in any State funded facility programs for a period of five years.

If a district is interested in more details in the use of capital funds for General Fund purposes, please contact Bryan Breaks, Audit Supervisor at [bryan.breaks@dgs.ca.gov](mailto:bryan.breaks@dgs.ca.gov) or 916.445.3156.

## District Outreach

By Lauri Lathrop, Project Manager

At the Office of Public School Construction (OPSC), our focus is on service to you to help meet your school facility needs. Earlier this year, beginning with districts with approximately 2,500 or less Average Daily Attendance (ADA), the OPSC launched a new service program. Our goal is to provide information and assistance to all school districts, regardless of the size of its ADA, that may not have the resources to familiarize themselves with the school facility programs administered by the OPSC. The District Outreach Program is offering districts services such as:

- ▶ The opportunity to meet one-on-one with staff.
- ▶ Assistance with completing and updating enrollment data.
- ▶ Assistance with completing forms for such programs as the School Facility and Deferred Maintenance Programs.
- ▶ Reference material, such as guidebooks, regulations, and other helpful information.

Steven Paul, Region 6 Supervisor, and Lauri Lathrop, Project Manager, will provide the additional service and your OPSC Project Manager is always ready to assist you. The OPSC would be delighted to schedule an appointment with any interested districts and we will tailor your appointment to your needs.

If you would like more information or would like an outreach visit, please contact Lauri Lathrop at 916.322.7867 or via e-mail at [lauri.lathrop@dgs.ca.gov](mailto:lauri.lathrop@dgs.ca.gov), or contact your OPSC Project Manager. For those that are new to our programs, please visit the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov) to view the OPSC Project Manager listing.

# Use of New Construction Grants Regulation Amendments

By Carol Shellenberger and Lori Morgan, OPSC Managers

The process for requesting Use of New Construction Grants under the School Facility Program will be changing due to the recent adoption of new regulations as well as amendments to existing regulations. In short, the filing process has been streamlined, and the regulations now define acceptable “housing plans” and revise the circumstances when “Use of Grants” may be requested.

The OPSC developed these amendments based upon direction received by the State Allocation Board (SAB) to develop a long-term use of grants regulation that addresses its concerns while providing some flexibility in the program. The SAB at its April 2003 meeting adopted these regulations on an emergency basis. The OPSC anticipates that these regulations will be in effect by the end of May 2003. The requirements will not change “mid-stream” for districts, as the regulations included “grandfathering” provisions.

## What’s New

Regulation Section 1859.77.3 allows districts to request “Use of Grants” to construct support facilities, which include multipurpose, gymnasium and/or library at existing sites. If you were planning to request “Use of Grants” for eligibility determined at a grade level other than the proposed project, there is no need to worry. The regulation amendments will continue to permit those types of requests.

This regulation allows a district to request the following:

- ▶ New construction grants that exceed the capacity of the project:
  - When the project includes no more than eight classrooms and is to construct a multipurpose, gymnasium and/or library at an existing site that does not have an existing or adequate facility of the type being requested.
  - If the school, where the addition is proposed, was not built as a new school under the SFP.
  - The amount of the excess pupil grants requested are limited to no more than the pupils commensurate to the grants necessary to construct the size multipurpose, gymnasium and/or library needed, as defined in the SFP Regulations.
- ▶ Eligibility determined at a grade level other than the proposed project that does not exceed the capacity of the project unless the project includes a request for a multipurpose, gymnasium and/or library as indicated in number one above.

## School Board Resolution/Housing Plans – Further Defined and Streamlined

In order for a district to apply for a “Use of Grants”, its school board must adopt a resolution and housing plan. The resolution includes the school board’s acknowledgement that the funds for the pupil grants used are being diverted to another project, and that the State has satisfied its obligation to house those pupils. The purpose of the housing plan is for the district to indicate how it will provide housing for those pupils utilized in the “Use of Grants” request. The school board resolution and housing plan must have been discussed and adopted at a public hearing at a regularly scheduled meeting of the district’s governing board on a date preceding the application filing. The districts will be required to certify com-

pliance on the *Application for Funding*, Form SAB 50-04 \*, and provide that these documents be available upon the OPSC project audit.

Acceptable housing plans for “Use of Grants” requests for excess pupils are as follows:

- ▶ The district will construct or acquire facilities for housing the pupils with funding not otherwise available to the SFP as a district match within five years of project approval by the SAB, and the district must identify the source of the funds; or
- ▶ The district will utilize higher district loading standards providing the loading standards are within the approved district’s teacher contract and do not exceed 33:1 per classroom.

In addition to the two housing plans noted above, an acceptable housing plan for “Use of Grants” requests for pupils at a different grade level than the proposed project is as follows:

- ▶ The pupils requested from a grade level will be housed in classrooms at an existing school in the district which will have its grade level changed, to the grade level requested, at the completion of the proposed SFP project.

## Grandfathering Provisions

“Grandfathering” provisions are included as follows:

If...	Then...
the district construction plans are accepted by the DSA on or prior to January 22, 2003. . .	the district may apply for “Use of Grants” pursuant to Regulation Section 1859.77.2.
the district construction plans are accepted by the DSA after January 22, 2003. . .	the district may apply for “Use of Grants” pursuant to Regulation Section 1859.77.3.
clear language was included in the district’s local bond that specifically identified the proposed project. . .	the district may apply for “Use of Grants” pursuant to Regulation Section 1859.77.2 or 1859.77.3, as appropriate, in place as of the date of the local bond election.

If a district wishes to include or increase a “Use of Grants” request in its funding application after submittal to the OPSC, the district must withdraw its application, and the OPSC will remove the application from its workload list. The resubmitted application will receive a new processing date by the OPSC.

## Who do I call if I have questions?

As always, questions regarding SFP New Construction projects may be referred to your OPSC Project Manager. More details are also available in the SFP Regulations located on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

\* The regulation change resulted in a revised *Application for Funding*, Form SAB 50-04. Please be sure to locate the most current Form SAB 50-04 on the OPSC Web site.

## Important Update

# Federal Renovation Program

By Lindsay Ross, Project Manager

There are critical dates that districts must be aware of for the Federal Renovation Program (FRP) in order to retain these Federal funds. We encourage districts to fully take advantage of their funding opportunity and utilize all of their apportioned funds. We have sent a series of letters detailing these timelines and dates to all applicants. For your convenience, we have included a summary below.

## Critical Dates

- ▶ First fund release must be requested by May 21, 2003.
- ▶ The final fund release must be requested within six months from the first fund release.
- ▶ The last day to sign contracts for services or work is September 30, 2003. *No extensions are permitted by Federal law.*
- ▶ If you requested your first fund release on the last day permissible (May 21, 2003), the absolute last day to submit your final fund release request is November 16, 2003. *It is critical that the contracts for any fund release requests must be signed on or prior to September 30, 2003. No extensions are permitted by Federal law.*

## Project Examples

We are aware of the great need in the State of California for the work that can be accomplished under this program. Some of the types of projects being completed with FRP funds are:

- ▶ Replacing, repairing, or installing Heating, Ventilation and Air-Conditioning systems.

- ▶ Replacing, repairing, or installing roofs, electrical wiring, plumbing systems or sewage systems.
- ▶ Asbestos Abatement
- ▶ Bringing schools into compliance with current fire and safety codes.
- ▶ Bringing schools into compliance with Americans with Disabilities Act requirements. Just a few examples of this are:
  - Replacing doors, door jams and door handles.
  - Installing proper signage.
  - Replacing water faucets.
  - Remodeling restrooms and stalls.

Please keep in mind that these FRP funds are for the emergency repair and renovation of school facilities to ensure the health and safety of students and staff<sup>1</sup>. New construction is not permitted, except for Local Educational Agencies (LEA) that meet the definition of an "Impacted LEA" wherein 50 percent or more of the LEA's enrollment resides on Indian lands. For those that received FRP apportionments, this is a great opportunity. We encourage districts to fully take advantage by utilizing all of their apportioned funds and by meeting the critical timelines outlined above.

Please do not hesitate if you have any questions or need some help. For assistance or more information, please contact Lindsay Ross, Project Manager, at 916.323.7938 or [lindsay.ross@dgs.ca.gov](mailto:lindsay.ross@dgs.ca.gov), or Chris DeLong, Supervisor, at 916.322.5263 or [chris.delong@dgs.ca.gov](mailto:chris.delong@dgs.ca.gov).

<sup>1</sup> Reference FRP Regulation Section 1859.208

# Unused Sites Timelines

By Gretchen Winczner, Project Manager Assistant

Look around. You could have an unused site. You may also have questions such as: Is my district in possession of such a site? And, if so, what do I do then? Don't panic. The answers are closer than you might think.

According to Education Code Sections 17219 through 17224, any site that is owned by a district that is not being used for school purposes is deemed an unused site. As you may already know, the OPSC mailed out on May 1, 2003 the annual *Certification of Unused Sites* (Form SAB 423) and the *Modification of Unused Sites Status* (Form SAB 424). These forms may be lurking on your desk as you read this. Please seek out these forms, check them for accuracy, have them signed by an authorized representative and return the signed forms to the OPSC no later than July 1, 2003.

If there are *any changes* that the district needs to report, such as the following, please fill out a Form SAB 424:

- ▶ The site was sold.
- ▶ The site is now being used.
- ▶ Construction of school facilities has begun on a site that will be used.
- ▶ A new site needs to be added.
- ▶ The site is being leased to a tenant who is paying possessory tax.
- ▶ It will be used for school purposes within three years.
- ▶ Attempted sale of site.

Should you have any questions or concerns, please feel free to contact Gretchen Winczner at 916.323.4455, or [gretchen.winczner@dgs.ca.gov](mailto:gretchen.winczner@dgs.ca.gov).



# Last Opportunity for SB 1795 Joint Use Funding

By Brian LaPask, Project Manager

At its December 2002 meeting, the State Allocation Board (SAB) voted to make the current funding cycle the last for Senate Bill (SB) 1795 Joint Use Funding under the Lease-Purchase Program (LPP). This decision was based on the fact that prior bond funds, the program source of funds designated in law, are dwindling. Additionally, the School Facility Program now includes opportunities for funding for several different Joint Use application types.

The LPP SB 1795 Joint Use applications will be accepted until May 31, 2003 for funding consideration at the July 2003 SAB meeting, and then the program will be discontinued. For a complete SB 1795 Joint Use application package, the Office of Public School Construction must receive the following items on or prior to the May 31, 2003 final filing date:

- ▶ DSA approved plans and specifications
- ▶ CDE *Final Plan Approval Letter* (Form SFPD 4.09)
- ▶ CDE *Certification of Eligible Square Footage Worksheet* (Form SFPD 4.10)
- ▶ A Joint Use Agreement between the School District and Joint Use Partner

▶ **Application for Joint Use Apportionment** (Form SAB 506JU)

As of the April 2003 SAB meeting, \$24.3 million remains available in the Contingency Reserve to fund SB 1795 Joint Use projects. While not all of the Contingency Reserve monies can be spent on SB 1795 Joint Use, a large portion of those funds are anticipated to be made available to fund these projects at the July 2003 SAB meeting. Currently, the OPSC has only four applications on the “Unfunded List” of approved projects to be considered for funding at the July 2003 SAB meeting.

**What’s that last filing date again?**

You’ll need to hurry; the final filing period ends on May 31, 2003.

For more information or any questions regarding the SB 1795 Joint Use Program, please visit the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). Also please feel free to contact Brian LaPask at [brian.lapask@dgs.ca.gov](mailto:brian.lapask@dgs.ca.gov), or at 916.327.0298.

## Charter School Facilities Program Update

By Lisa Constancio, OPSC Programs Supervisor

The application filing period for the new Charter School Facilities Program ended March 31, 2003. This program provides \$100 million dollars for charter school facilities during the 2003 funding cycle and another potential \$300 million in the 2004 State Bond. For the first time, charter schools were given the opportunity to apply on their own behalf for State school facility funds. The OPSC received 26 applications, and the program will be over subscribed for the \$97.5 million dollars available in this round of funding. The OPSC along with the California School Finance Authority (CSFA) are currently in the process of

reviewing each of the applications for completeness, ability to fund and financial soundness.

The OPSC will be presenting projects that meet the program criteria defined in law and regulation for a preliminary apportionment at the June 25, 2003 State Allocation Board meeting.

If you have any questions about this program, please contact either Lisa Constancio, Supervisor, at 916.322.0317 or Elizabeth Dearstyne, Project Manager, at 916.323.0073. For any questions relating to financial soundness, please contact Lara Larramendi Blakely, Executive Director, CSFA at 213.620.4467.

April 23, 2003 Agenda

## Funds Released from Proposition 47

PROGRAM	APPORTIONED	RELEASED/CONTRACTED	APPORTIONMENT BALANCE
New Construction	\$3,679,535,493	\$2,333,159,948	\$1,346,375,545
Modernization	2,505,450,249	971,904,983	1,533,545,266
Charter School	0	0	0
Energy	12,354	0	12,354
Critically Overcrowded Schools	0	0	0
Joint Use	0	0	0
Total	\$6,184,998,095	\$3,305,064,930	\$2,879,933,165

# Consultant Fees in the School Facility Program

During the course of design, development and construction of a school facility, a district may elect to use the services of one or more consultants. The reasons may vary for using consulting services, with the most common being expertise in a specific area, lack of district staff time for the task, and lack of experienced in-house staff. In addition to obvious services such as architectural and engineering assistance and legal services, consulting services often include real estate acquisition advice and assistance, demographic and master planning assistance, construction management, and State application preparation.

As a district considers the use of consulting services on a project which will be funded in part through the School Facility Program, it is important to keep two things in mind: not all consulting fees are considered as eligible expenditures in the State program and all eligible consulting costs must come out of the project budget, thus reducing funding available for the construction of the project.

## Eligible and Ineligible Consultant Expenditures

The fundamental test to determine if a consulting expense is eligible to be paid with State funds is whether the cost is reasonably attributable to the project which is to be approved and funded by the State Allocation Board. Examples of eligible expenditures on an approved project include the following:

- ▶ Architectural, engineering, surveying and geotechnical services.
- ▶ Construction and project managers.
- ▶ Inspectors of Record, Construction testing and laboratory services.
- ▶ Relocation assistance, appraisal services.
- ▶ Legal assistance related to contracts, real estate acquisition and contract management.

Of course, there may be many additional services also eligible for payment using State funds. In all cases though, the services must be directly attributable to the project.

The district may also use other consulting services which are not eligible for inclusion in a State funded project. Examples of some common services that cannot be included in State funded projects are as follows:

- ▶ Developer fee studies.
- ▶ Financial consulting.
- ▶ Bond counsel.
- ▶ Lobbying efforts.

If you have any questions about whether a particular consulting expense is eligible under the State program, you may call your OPSC Project Manager or Noé Valadez, OPSC Audit Supervisor, at 916.322.7628.

## Consultant Fees and the Project Budget

The Summer Issue of *Breaking Ground*, the OPSC/DSA Connection to California School Districts, being published and distributed as this is written, contains several in-depth articles on developing project budgets under the State program. School facility planners are encouraged to obtain a copy of these articles to use in developing and understanding their own project needs and budgets. In those articles, historical data collected on more than 100 projects shows that the 'hard costs' — those costs directly related to the construction contracts — generally make up about 75 to 80 percent of the total funding expenditures on an average new construction project. Of the remaining 20 to 25 percent of the project budget, the majority is dedicated to architectural and engineering fees, furniture and equipment and tests and inspection services. Therefore, there is only a limited amount of the budget truly available to fund eligible consulting services. With this in mind, districts will want to carefully select additional services and will want to get the most value for the project dollar expenditure. An entire chapter of the SAB publication, *Public School Construction Cost Reduction Guidelines* is devoted to this subject and contains many suggestions from experienced school planners and managers on how to obtain consulting services. If you do not have the Cost Reduction Guidelines, you may find and download a copy at <http://www.documents.dgs.ca.gov/opsc/pdf-handbooks/CostRedctnsGuidlines.pdf>.

**Need a helping hand? OPSC to the rescue...**

## Facility Planners Outreach

By Christine Sanchez, Project Manager Assistant

In order to provide the highest level of customer service to school districts and County Offices of Education (COE), the Office of Public School Construction (OPSC) would like to offer its assistance.

If you are interested in an OPSC representative participating in a future facility planners meeting, please provide us with a schedule of upcoming meetings with your request. If a facility planners meeting is not convenient, contact your OPSC

representative to set up a meeting at your convenience either in our office, at your district or the COE.

If you have any questions, please contact your OPSC Project Manager or Christine Sanchez at [christine.sanchez@dgs.ca.gov](mailto:christine.sanchez@dgs.ca.gov) or 916.322.0328.

# Status of Funds

PROGRAM	BALANCE AVAILABLE AS OF APRIL 23, 2003 (AMOUNTS ARE IN MILLIONS OF DOLLARS)
<b>PROPOSITION 47</b>	
New Construction	
New Construction	2,441.7
Charter School	97.5
Energy	14.2
Modernization	
Modernization	628.8
Energy	5.8
Critically Overcrowded Schools	1,700.0
Joint Use	50.0
<b>TOTAL PROPOSITION 47</b>	<b>4,938.0</b>
<b>PROPOSITION 1A</b>	
New Construction	0.0
Modernization	0.0
Hardship	0.0
<b>Proposition 1A Subtotal</b>	<b>0.0</b>
<b>PRIOR BOND FUNDS</b>	
Contingency Reserve	24.1
AB 191	0.2
<b>Prior Bond Funds Subtotal</b>	<b>24.3</b>
<b>TOTAL PROPOSITION 1A AND PRIOR BOND FUNDS</b>	<b>24.3</b>

April 23, 2003

# Construction Cost Indices

INDEX	RATE
<b>Class "B" Buildings</b>	<b>1.46</b>
<b>Class "D" Buildings</b>	<b>1.46</b>
<b>Furniture and Equipment</b>	<b>1.42</b>
<b>Historical Savings Index</b>	<b>8.25</b>

- Index Definitions**
- Class "B" Buildings:** Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.
- Class "D" Buildings:** Constructed primarily of wood.
- Furniture and Equipment:** An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.
- Historical Savings Index:** An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.